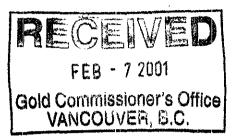
ASSESSMENT REPORT

REDHAWK RESOURCES, INC.



REMAC ZINC PROJECT REEVES PROPERTY & REDBIRD PROPERTY

2000 SUMMARY REPORT

TRENCHING AND DRILLING PROGRAM

VOLUME 1 OF 2

PEND D'OREILLE RIVER AREA

NELSON MINING DIVISION, BRITISH COLUMBIA, CANADA

NTS MAP SHEETS: 82F/3W & 82F/4E

LATITUDE: 49° 01' N LONGITUDE: 117° 23' W

FIELD WORK PERFORMED: June 1 - September 22, 1999

PROPERTY OWNER/OPTIONOR: Redhawk Resources Inc., Vancouver, BC

GEOLOGICAL SURVEY BRANCH

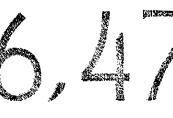
REPORT AUTHOR:

George Gorzynski, P.Eng. ASSESSMENT REPORT

DATE SUBMITTED:

January 18, 2001

VOL 1 ho



EXECUTIVE SUMMARY

INTRODUCTION

The Remac property is in the heart of a prolific mining district with a long history of base metal sulphide production. Zinc-enriched oxide zones overlying the sulphides on the property were the main exploration targets of the 2000 field program. These oxide zones were known historically but technology to effectively process them is a recent development. Joint venture partner ZincOx Resources of London England is a world leader in the beneficiation of such zinc oxide ores.

The property is a conglomeration of 164 contiguous mineral claim units comprising several properties owned or held under option by Redhawk Resources, Inc. of Vancouver, British Columbia, Canada. In turn Redhawk ras optioned a 50% interest in the Remac zinc oxide project to ZincOx but remans operator of the project.

The property is located 25km southeast of Trail in south-central British Columbia. The area is marked by very good infrastructure including a good transportation network, local heavy industry services, two major electrical power dams just south and west of the property, and the Cominco zinc smelter at Trail as a ready source of sulphuric acid used in processing of zinc oxides.

HISTORY

The former Reeves-MacDonald Mine is located on the property. It operated between 1949-77 and processed 7,254,000 tons with recovered grades of 3.50% zinc, 1.39% lead and 8 g/t silver. Many other zones of zinc mineralization were tested by underground and surface workings since the 1920's. The zinc oxide zones were known during that time but until recently the technology did not exist to commercially process them.

GEOLOGY AND MINERALIZATION

The Remac property lies within the Kootenay Arc of south-central British Columbia. The Arc is a belt of Lower Paleozoic formations that in broad terms comprise basal quartzites overlain by a variety of shales. Two distinct Cambrian limestone/dolostone units within this package, the Nelway Formation and the Reeves Member, each host extensive zinc+lead mineralization.

Zinc mineralization at Remac occurs in the Reeves Member as a series of deformed carbonate-hosted zinc sulphide and oxide zones traced over a distance of four kilometers on an ENE trend. This mineralized trend is referred to as the Reeves-Redbird corridor in this report. The zinc zones are elongate lozenges typically 100-200m long, 5-25m wide and have been traced over 1000m down plunge (before faulting). Historical mining records from the Reeves Zone report extraordinary continuity of size and grade over these dimensions. In total there are four known zones of mineralization typically striking east to ENE, dipping 50-60°S and plunging 45-60°W. These have been offset by a number of east-dipping normal faults that repeat the four zones several times to produce the series of zinc prospects labeled 'A' to 'Z'.

The upper portions of most of these zinc zones have been oxidized. Oxidation is known from underground workings and drillholes to extend to variable depths ranging from very shallow to 450m meters below surface. Most of the oxide mineralization consists of extensive zinc-enriched iron oxide gossans which overlie the better known sulphide deposits. Locally zinc oxides also occur finely disseminated in the host dolostones and as probable solution collapse breccias. The principle zinc oxide mineral is hemimorphite $(Zn_4Si_2O_7(OH)_2,H_2O)$. Fieldwork during the 2000 field season on five target prospects returned positive results. Some of the better results include the following. Full results are compiled in Table 4.

ZONE	DRILL HOLE	ESTIMATED TRUE WIDTH (m)	%Zn
В	R-2000-02	5.4	15.4
C	R-2000-09	12.2	8.7
F	R-2000-10	15.0	14.6
G	R-2000-21	11.6	8.2
H	R-2000-20	8.9	11.0

CONCLUSIONS

- 1. The 2000 program of trenching and drilling achieved its objectives. It demonstrated the exploration "model" portraying large coherent elongated lozenges of zinc mineralization repeated in a predictable manner by a ser es of normal faults (Figure 6) and it confirmed the potential for large zones of zinc oxide mineralization on the property. Results showed very good z nc grades over significant widths in the five oxide zones tested and demonstrated structural continuity of Zone F zinc oxides with the known underlying sulphide mineralization.
- 2. Additional potential for zinc oxide mineralization has been indicated with the re-exposed historical Zone A to the west and the discovery of Zone P to the east. Sampling of the Zone A trenches has indicated its potential to develop into a new zone of zinc mineralization just under an adjacent Active Formation shale cap. It also suggests the potential for further zinc oxide discoveries elsewhere beneath this cap. The new Zone P discovery (13.25% Zn / 3.5m) may represent the edge of another fault repeated z nc oxide zone. Both zones are open to expansion.
- 3. Many other known zones of zinc oxide mineralization remain to be tested on the property.
- 4. Sulphide reserves of 443,000 tons grading 5.35% Zn and 2.45% Pb remain in place in Zone K. Other zinc sulphide zones are known to exist on the property at depth.

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З.

REMAC ZINC PROJECT, BRITISH COLUMBIA, CANADA 2000 SUMMARY REPORT

by George Gorzynski, P.Eng.

1.0 BACKGROUND INFORMATION

1.1 INTRODUCTION

The Remac property is a conglomeration of 164 contiguous mineral claim units comprising several properties owned or held under option by Redhawk Resources, Inc. of Vancouver, British Columbia, Canada. In turn Redhawk has optioned a 50% interest in the Remac zinc oxide project to ZincOx Resources of London England but remains operator of the project. ZincOx is a world leader in the beneficiation of zinc oxide ores, the present exploration target on the property.

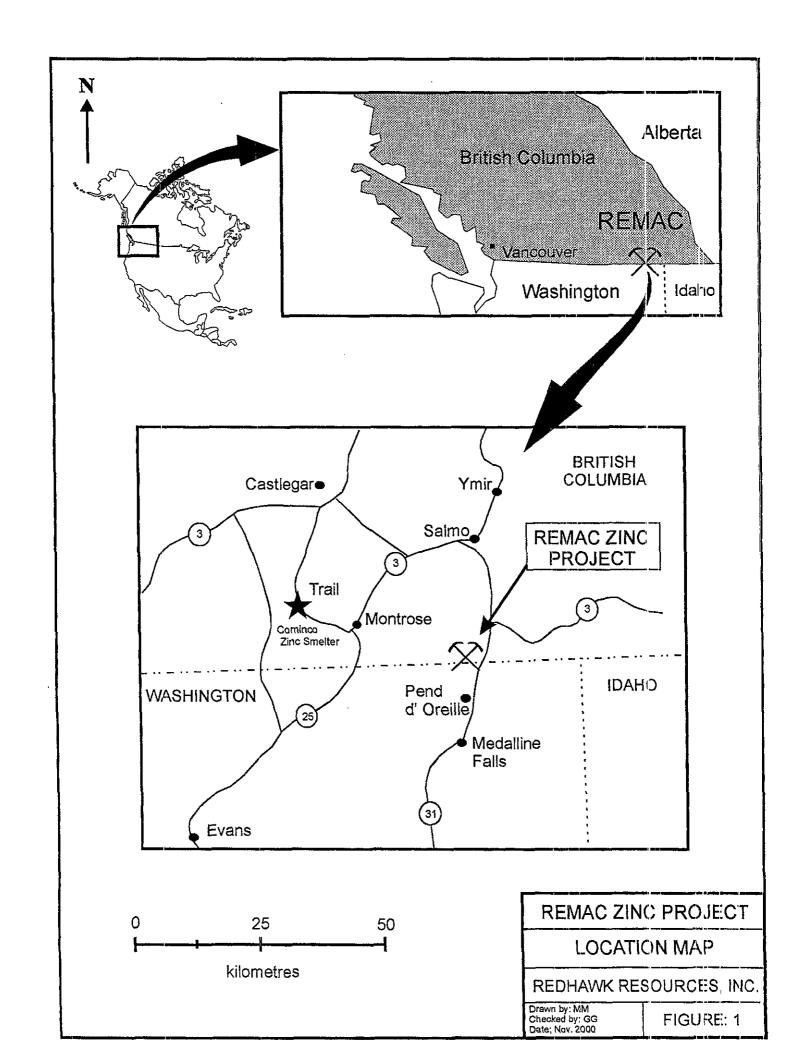
The main objective of the 2000 field program was to demonstrate the exploration "model" portraying large coherent elongated lozenges of zinc mineralization repeated in a predictable manner by a series of normal faults. Other objectives were to test the widths and grades of five selected zones of zinc oxide mineralization and to demonstrate structural continuity of at least one zinc oxide zone (Zone F) with underlying known zinc sulphide mineralization. Program results were successful in achieving these objectives.

This summary report describes work carried out, results obtained and conclusions drawn from the 2000 field program on the property. It was written by and the work program carried out under the direct supervision of the author at the request of Redhawk Resources. The author wishes to acknowledge the major contribution to the program of Gerald Klein, P.Eng. Mr. Klein carried out much of the field work on the project and provided vital information in spotting trenching and drilling targets based on his knowledge as ex-Chief Geologist (1970-73) of the former Reeves MacDonald Mine on the property. Also acknowledged are the assistance of Victor Guinet of Redhawk Resources, and Doug and Geoff Murray of Salmo. Midnight Sun Drilling of Whitehorse provided efficient drilling services.

1.2 LOCATION AND ACCESS

NTS Map Sheets: 82F4/E & 82F3/W TRIM Map Sheets: M082F003 & M082F004 Latitude: 49°00' to 49°02' N Longitude: 117° 20' to 117° 28' W UTM Coordinates: 5 427 400 to 5 431 300 mN, 465 700 to 475 700 mE Zone 11 (Datum NAD83)

The Remac property is located in the Nelson Mining Division about 25 kilometers southeast of Trail, the site of Cominco's major zinc-lead smelter, and some 400km east of Vancouver, British Columbia, Canada (Figure 1). The southern property boundary is marked by the United States border.



The property is cut by the Pend D'Oreille River and access to each side of the property is provided by different routes. The eastern part of the property is readily accessed by the former Reeves MacDonald Mine road, a very good two lane gravel road that connects with provincial Highway 6 some seven kilometers to the east at Nelway just north of the USA border. The western part of the property is connected to the town of Trail by 41 km of access road. From Trail Highway 22A connects with the Pend D-Oreille River road, a paved 13km road to the Seven Mile Dam. Crossing the river on the Seven Mile Dam, a 15km bush road leads to the various zinc prospects on the western side of the property. There is also a rough 11km gravel road that runs along the north shore of the Pend d'Oreille River and connects the Seven Mile Dam with the former Reeves MacDonald Mine road and the eastern part of the property.

1.3 LAND TENURE

The Remac property is a conglomeration of 164 contiguous mineral claim units covering approximately 3,092 hectares (7,635 acres) and comprising several historical properties now owned by or held under option by Redhawk Resources (Figure 2). Traditionally the property has been divided into the western Redbird property and the eastern Reeves property. The properties that comprise the Redbird property are now all owned outright by Redhawk Resources with only some subject to production royalties. On February 15, 1999 Redhawk acquired an option to earn a 100% interest in the Reeves property from Reeves MacDonald Mines Limited. Included in the Reeves option are surface rights to approximately 295 hectares (725 acres) covering possible mill and tailings disposal areas. In an agreement dated March 27, 2000, ZincOx Resources of London, England acquired an option to earn a 50% interest in the Remac zinc oxide project (Redbird and Reeves properties) from Redhawk by spending an optional Cdn\$3,000,000 over a four year period. The present work program was managed by Redhawk under the terms of these latter two agreements.

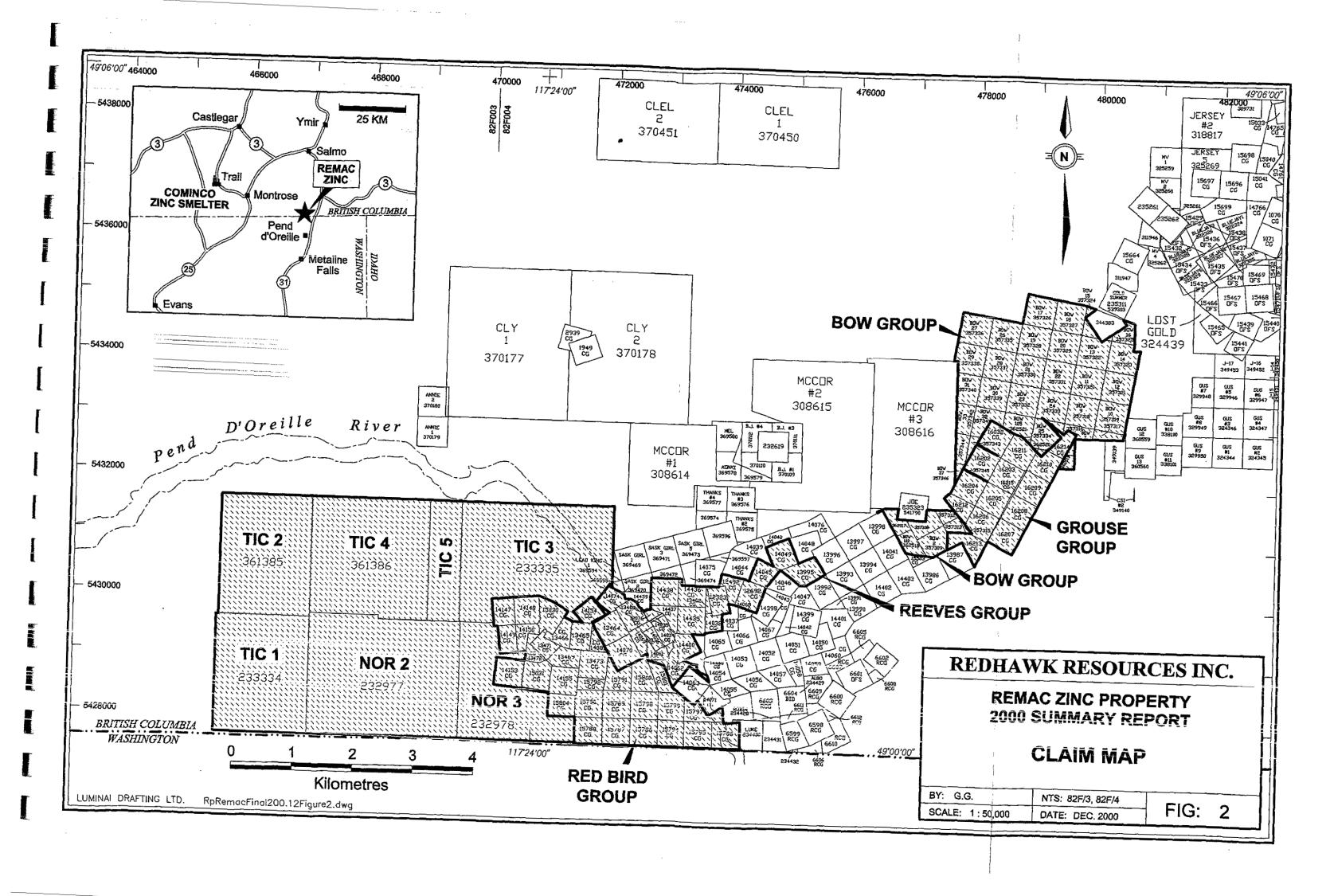
The Remac claims are listed in Table 1. They comprise a mix of crown granted mineral rights, crown granted surface rights, fee simple surface titles and modern modified grid mineral titles. The Bow and Grouse claims shown on Figure 2 are also controlled by Redhawk Resources but are not the subject of this report.

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TABLE 1:	REMAC PROPER	RTY LAND TENU	KE		N15 02	F/03W & 704		والمستقلة ويورد المستقلة
Claim Name	Туре	Claim Name	Туре	PID	Claim Name	No.		Ter ure Nurnber
		····			DEDDI			
REEVES PROPE					IKEUBI	RD PROPER		
MINERAL CROW	N GRANTS	SURFACE RIC	HTS		MODIF	IED GRID M	INERAL	CLAIMS
Drumlumin	C.G.	Gertrude MC		016-497-228	тіс	1	M.G.	2333
Juliette	C.G.	Drumlumin Fr	C.G.	016-497-309	TIC	2	M.G.	3613
Gertrude	C.G.	Annex No. 1	C.G.	016-497-261	TIC	3	M.G.	2333
Dreadnaught	C.G.	Annex No. 2	C.G.	016-497-252	TIC	4	M.G,	3613
Tunnel Fraction	C.G.	River Fraction	C.G.	016-497-350	TIC	5	M.G.	3818
River	C.G.	River No, 1	C.G.	016-497-325	NOR	2	M.G.	2329
River No, 1	C,G.	River M.C.		016-497-244	NOR	3	M.G.	2329
River Fraction	C.G.	Juliette		016-497-295		Ū,		
Annex No. 2	0.0.	ounono	0.0.	010 407 200				
Fraction	C.G.	Fee Simple Lot	C.G.	015-960-251	MINER	AL CROWN	GRANT	s
Annex No. 1	C.G.	Fee Simple Lot				<u></u>		<u> </u>
Drumlumin	0.0.		0.0.	010 000 212	i			
Fraction	C.G.	Fee Simple Lot	C G	016-520-246	Caviar	No.1	C.G.	65119
A Fraction	C.G.	Fee Simple Lot			Caviar		C.G.	65209
RM	C.G.	Fee Simple Lot			Caviar		C.G.	65219
RM1	C.G.			1			C.G.	
		Fee Simple Lot			Caviar			65292
RM2	C.G.	Fee Simple Lot			Caviar		C.G.	65239
RM3	C.G.	Fee Simple Lot			Caviar			65249
Highland	C,G.	Fee Simple Lot			Caviar			65259
Empire	C.G,	Fee Simple Lot			Lead P		C.G.	48476
Blue Bell International	C.G.	Fee Simple Lot			Lead C	up	C.G.	48486
Lead No. 1	C.G.	Fee Simple Lot			Royal		C;G,	24735
Salmon Fraction	C.G.	Fee Simple Lot			Edna		C.G.	48495
Riverside	C.G,	Fee Simple Lot			Annie		C.G.	48506
V.B. Fraction International	C.G.	Fee Simple Lot			McGee	•	C.G.	62908
Lead No. 2	<u>C.G.</u>	Fee Simple Lot			Gertruc	de Fr	C.G.	48516
		Fee Simple Lot			No. 1		C.G.	24745
		Fee Simple Lot			Red To	р	C.G.	24755
		Fee Simple Lot International			No. 2		C.G.	24765
		Lead No. 1		016-497-571	Red Mt	n.	C.G.	24775
		Salmon Fractio		016-497-546	Ruth		C.G.	37666
		Riverside	C.G.	016-497-848	Homes	tak No. 2	C.G.	48526
		V.B. Fraction International	C.G.	016-497-945	Royal I	Fr	C.G.	3676
		Lead No. 2	C.G.	016-497-503	Tough	Going Fr	C.G.	62928
		Fee Simple Lot			Tough		C.G.	62918
		Fee Simple Lot			Val	No. 1	C.G.	65129
		Fee Simple Lot		-	Val	No. 2	C.G.	65139
TOTALS:					Val	No. 3	C.G.	65149
Mineral claims:	164 units	1			Val	No. 4 Fr		65159
approx	3,092 hectares				Val	No. 5	C.G.	65169
Surface rights:	35 lots	1			Val	No. 6 Fr		65179
•	295 hectares				Val	No. 7 Fr		65189
approx	200 neutales	J						
One American Street 1					Val	No. 8 Fr		65199
See Annendix 1 fr	or detailed information	ation.			Larch	No. 3 Fr.	C.G.	65269



1.4 HISTORY

The first mineral discovery in the district is credited to men of the Hudson's Bay Company who in 1865 attempted to recover gold from the Salmo River near its junction with the Pend d'Oreille River (Walker, 1934) on the present-day Remac property.

Most of the present day property claims were staked between 1910-34 during which time various surface and underground exploration work was carried out. Little work is then reported until the Reeves MacDonald Mine began production in 1949. The nearby Annex Mine came on stream in 1970. All production ceased in 1975 with the introduction of a high tax regime in the province.

Since the 1970's most work (mainly drilling) has been carried out on the Redbird Group of claims by Redhawk Resources and predecessor companies.

1.5 PHYSIOGRAPHY AND CLIMATE

The Remac property is marked by rounded mountains with steep slopes and deeply incised drainage valleys. Elevations range between 545m (1800 ft) and 1585m (5200 ft). The central portion of the property is cut by the wide Pend D'Oreille River which has been dammed for electrical power generation.

Much of the property is covered by variably thick glacial deposits of till and kame terraces. Thick fluvial gravel deposits cover Pend d'Oreille River valley bottom. Outcrops in the more important mineralized areas of the property are mainly limited to local exposures in drainages and along some steep hillsides.

Most of the property is heavily forested although much of this is second growth semi-mature pine, fir, cedar, hemlock and larch. Parts of the property have been logged leaving grassy slopes especially in the vicinity of the former Reeves MacDonald Mine surface facilities (now almost all removed).

The climate of the region is typical of southeastern British Columbia with hot dry summers (June to August) and mild winters (November to April). Snow accumulations at higher elevations typically range up to depths of one meter (Klein, 1998).

2.0 GEOLOGY

2.1 REGIONAL GEOLOGY

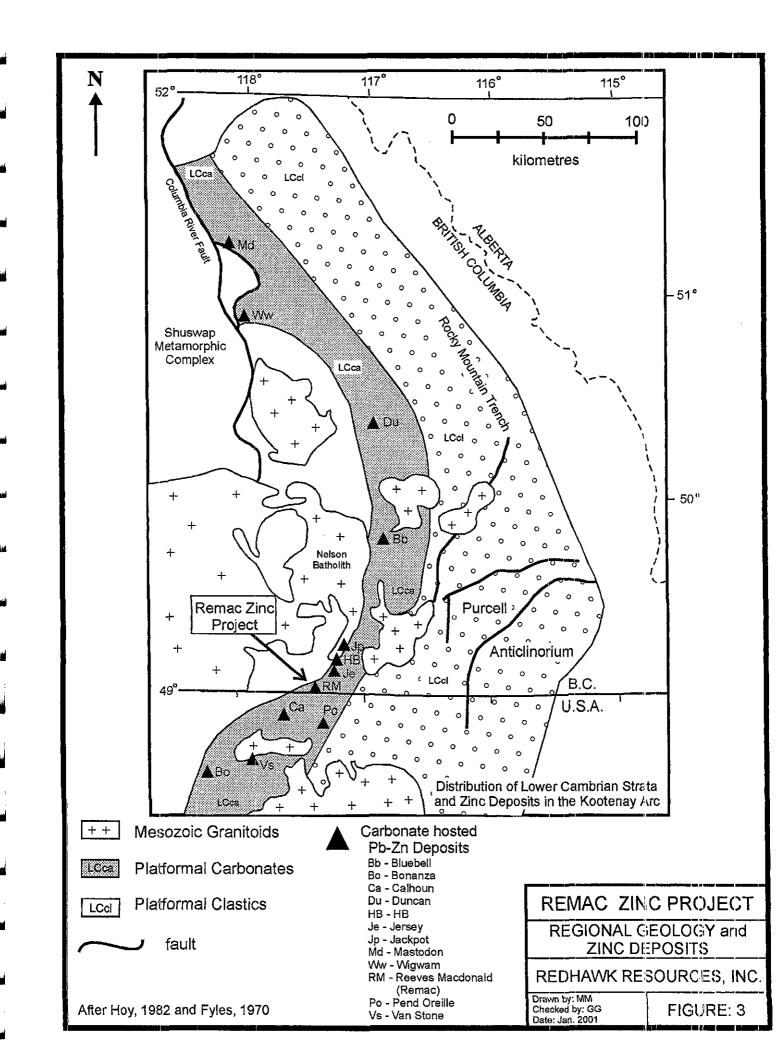
LOWER PALEOZOIC

The geology of the Salmo zinc+lead district, which includes the Remac Property, is described in detail by Fyles and Hewlett (1959) from which much of the following information is taken.

The Salmo zinc+lead district lies within the southern part of the Kootenay Arc, a north-south trending, curvilinear belt of distinctive Lower Paleozoic rocks which extends over 400km from Colville, Washington to the vicinity of Revelstoke, BC (Figure 3). The Arc lies between the Proterozoic Purcell Belt metasediments to the east and the Shuswap Metamorphic Complex and Nelson Batholith to the west. The Kootenay Arc includes Lower Cambrian carbonate rocks which host all the significant zinc+lead deposits of the Arc.

The principal zinc+lead deposits in the Remac region all occur within the Reeves Member of the Lower Cambrian Laib Formation (Figure 4). The Reeves Member mainly consists of fine- to medium-grained limestone, which has been locally altered to dolostone. This limestone characteristically displays grey, black and white layering typically a few centimetres in width. The dolostone often weathers buff, is poorly banded or massive, and is normally finer grained than the limestone. Large masses of light grey dolostone are exposed in complex folds immediately south of the Salmo River Anticline near the Remac Mine. Black, vaguely banded dolostone is also exposed in the vicinity of the Remac Mine.

The Truman Member of the Lower Laib Formation underlies the Reeves Member. It is a thin sequence of interbedded phyllites and limestones. The Truman Member overlies micaceous quartzites of the Reno Formation which in turn overlie massive quartzites of the Quartzite Range Formation.



AGE	FORMATIC	ON	LITHOLOGY	FORMATION	MEMBER	LITHOLOG	(Schematic)
	·			+	EMERALD (E)	Black Phyl	
ORDOVICIAN	ACTIVE (A)	-	Black shales		REEVES (R)	Limestone Dolostone	ANNEX WEST ANNEX
	NELWAY	′ (N)	Limestones Dolostones Zn, Pb				REEVES
CAMBRIAN	LAIB	UPPER (U)	Phyllites Quartzites	LOWER LAIB	TRUMAN (T)	Green Phy Limestone	yllites
		OWER	Zn, Pb				
	RENO		Quartzites	 RENO		Quartzites	3]
						Г	REDHAWK RESOURCES INC.
						-	REMAC ZINC PROPERTY 2000 SUMMARY REPORT

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FIG: 4

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BY: G.G.

DATE: DEC. 2000

Black phyllites and schists of the Emerald Member overlie the Reeves Member. Upper Laib Formation phyllites with lesser intercalated micaceous quartzites and limestones overlie the Emerald Member.

The Laib Formation is overlain by the Nelway Formation, a second unit of limestones and dolostones that also hosts zinc+lead deposits including the Pend d'Oreille Mine orebodies in Washington State. Black argillite and slate of the Ordovician Active Formation overlie the Cambrian rocks normally across a fault contact.

Rocks exposed within the southern Kootenay Arc show a very complex structural history, involving at least three episodes of folding, major regional low angle faults and multiple smaller faults (Jennings, 1991; Macdonald, 1973, Fyles and Hewitt, 1959).

LATE PLEISTOCENE

Most of the Remac region is covered with late Pleistocene deposits mainly related to the Fraser glaciation event which correlates with Late Wisconsian continental glaciation elsewhere in North America. The Fraser glaciation event in southern British Columbia occurred between 30,000 - 10,000 years B.P. and peaked in the Remac area about 14,000 years B.P. (Clague, 1991).

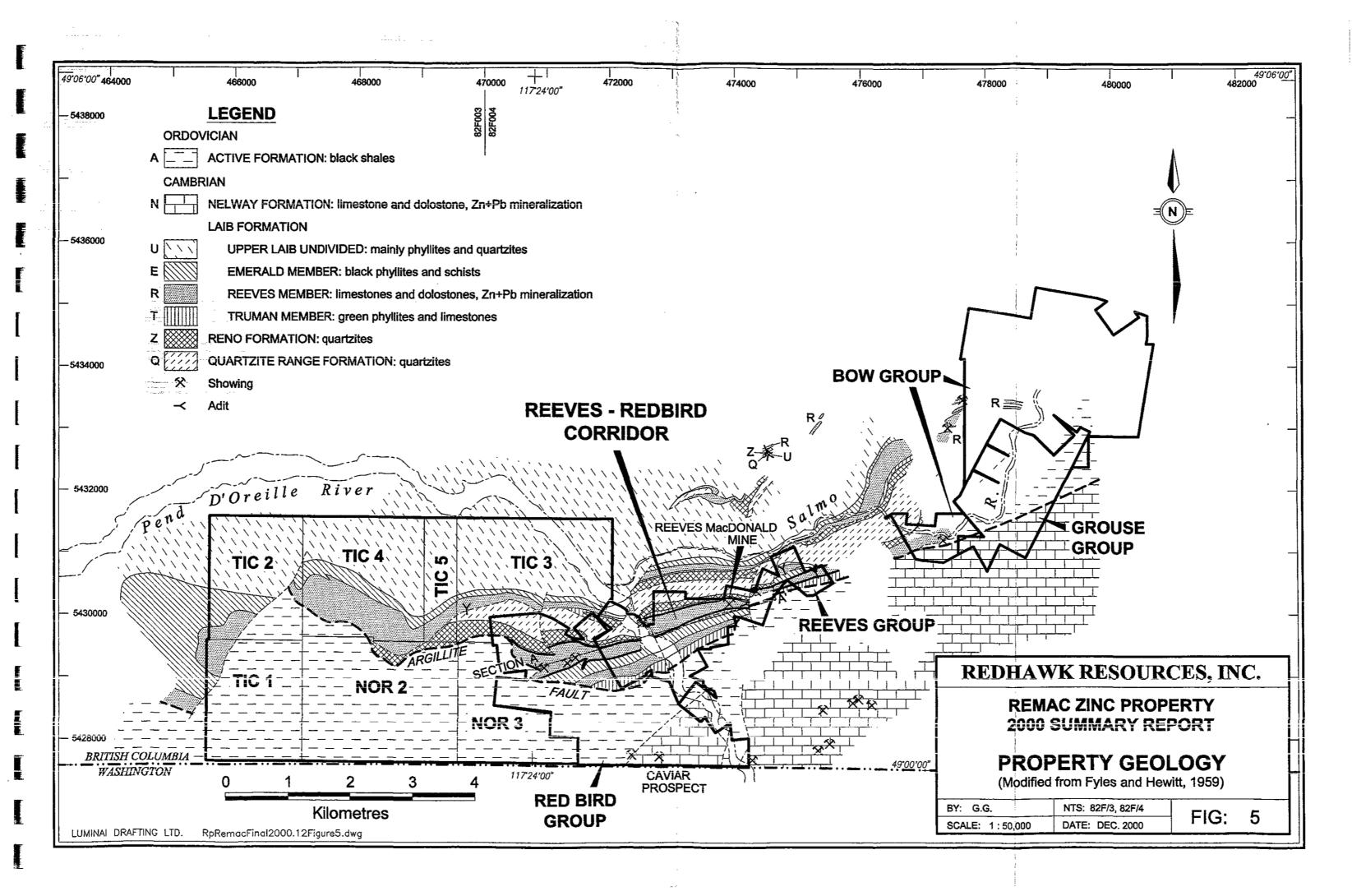
Retreat of the Fraser icesheet was accompanied by rapid mass-wasting and glacial outwash (Clague, 1991) that probably deposited much of the valley fill sediments in the Pend d'Oreille River valley. Kame terrace sediment deposits at Remac (e.g.- just east of Trench B-2000-05) and elsewhere in the district are evidence of retreating icesheet stagnation.

Recent surface materials include alluvium, colluvium and organic soils developed since the last glaciation.

2.2 PROPERTY GEOLOGY

The geology of the immediate area around the Remac property is shown on Figure 5 and in detail on Plate 2.

Three regional-scale structural packages of rocks cross the property (Fyles and Hewitt, 1959) - the Mine Belt on the north, the Black Argillite Belt (Active Formation) on the south and the Eastern Belt (Nelway Formation) along the southeastern edge of the property. The Mine Belt and the Black Argillite Belt are separated by the major shallowly south-dipping Argillite Fault. Deep drilling has demonstrated the continuation of the Reeves-Redbird corridor of the Mine Belt (and potential for other zinc deposits) beneath the Active Formation to the west (Westervelt, 1999) (also see section 5.2).



2000 REMAC ZINC PROJECT REPORT

Most of the known zinc+lead mineralization in the district occurs in the Mine Belt. On the property the Mine Belt encompasses Laib, Reno and Quartzite Range Formations (see section 2.1). Mine Belt rocks on the property typically strike WSW and dip steeply to moderately to the south.

Within the Mine Belt, all significant zinc+lead mineralization occurs in the Reeves Member carbonates of the Lower Cambrian Laib Formation (Figure 4). Three Reeves Member units cross the property (Figure 5 & Plate 2). These were thought to be fold repetitions of the same Reeves horizon (Fyles and Hewitt, 1959, p.141) but the highly different character of the three units suggest they may represent three different Reeves Member horizons (G. Klein, pers. communication, 2000). The northern Reeves horizon is an extensive unit of massive to bedded limestones that appears to be devoid of base metal mineralization. The central Reeves horizon (referred to in this report as the Reeves-Redbird corridor) is host to all the past zinc+lead production and the majority of other known zinc+lead mineralization on the property. The southern Reeves horizon is named the Prospect Dolomite and is host to scattered zones of zinc+lead mineralization.

A variety of late lamprophyre dikes cut all the formations on the property and commonly mark the locations of faults. They are typically dark green to black with biotite phenocrysts.

Rocks of the Reeves-Redbird corridor are deformed by two major westsouthwesterly trending, isoclinal folds - the Salmo River Anticline and Reeves Syncline. These folds have moderate to steep southerly-dipping axial planes.

The corridor is also cut by a series of north-northeasterly trending normal faults. These faults dip 45° to 60° to the east, and have resulted in a down-faulted repetition of the stratigraphic sequence eastward in a number of separate fault blocks (Figure 6). One of the better defined of these normal faults is the Beer Bottle Creek Fault which offsets Zone B mineralization down to the east to continue as Zone C. This fault was noted in the Redbird Tunnel No. 1 workings (Sorensen, 1942).

3.0 MINERALISATION

3.1 REGIONAL MINERALISATION

Carbonate-hosted zinc+lead deposits occur along the entire length of the Kootenay Arc, from the Bonanza and Van Stone deposits in northeastern Washington to the Mastodon deposit in the vicinity of Revelstoke (Figure 3). The largest deposits occur in the vicinity of Salmo (including Remac) and Metaline Falls (Table 2 and Figure 3) on either side of the International Border. Other Kootenay Arc deposits have been described in detail by Fyles and Hewlett (1959), and summarised more recently by Jennings (1991).

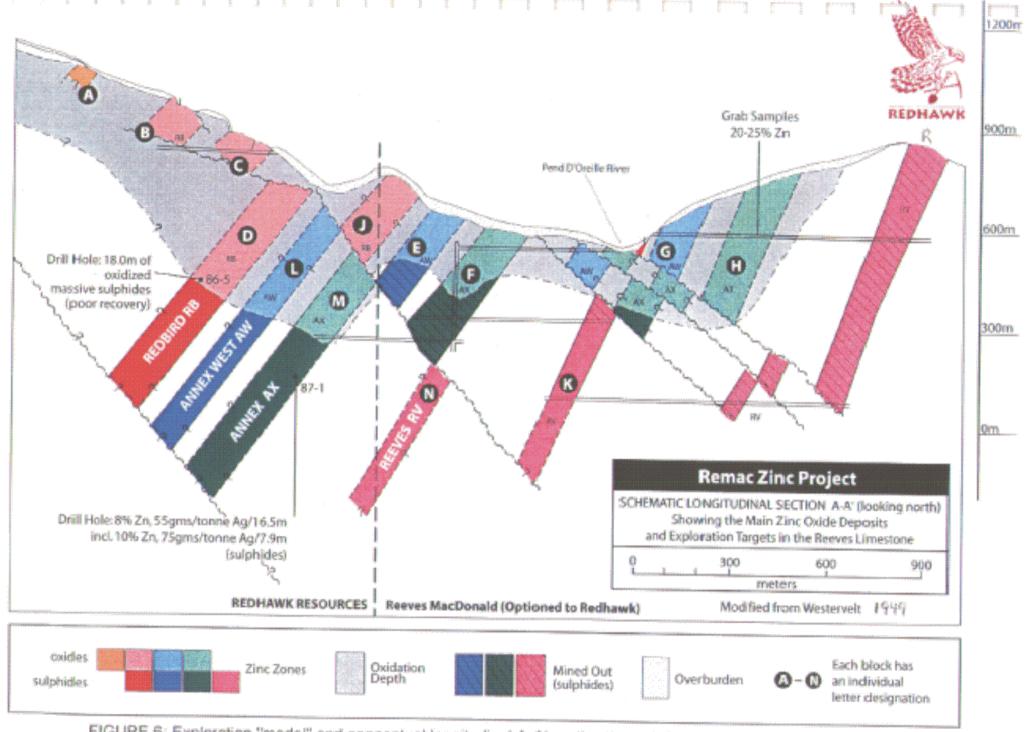


FIGURE 6: Exploration "model" and conceptual longitudinal A-A' section through Reeves-Redbird corridor. (Note this figure has not been updated with 2000 field program results.) Zinc+lead mineralisation in the Kootenay Arc occurs in both the Reeves Member of the Lower Cambrian Laib Formation and the Middle Cambrian Nelway Formation (Figure 4). All significant deposits in the Salmo area are hosted by dolomitized limestone of the Reeves Member. The deposits are often characterised by considerable lateral continuity (locally exceeding 1,000m at Reeves and Jersey A), stratabound to stratiform morphology, and fine-scale, parallel sulphide layering. Sulphide mineralization mainly occurs as lenses and parallel layers of sphalerite with pyrite and lesser galena. Variable oxidation of sulphides to zinc-enriched limonite gossans occurs most notably on the Remac property.

Theories on the origin of the Salmo district base metal deposits are several. They include comparisons to epigenetic replacement deposits in favourable dolomitized limestone horizons (Fyles and Hewitt, 1959) and Irish-type "sedex" deposits now highly deformed into elongated lozenges or "megamullions" in fold noses (Jennings, 1991). The lack of easy comparisons to deposits elsewhere prompted Sangster (1970) to coin the term Remac-type deposits to describe them as a group. Consensus on the origin of these deposits is still lacking.

TABLE 2: SELECTED KOOTENAY ARC CARBONATE-HOSTED ZINC+LEAD DEPOSITS PRODUCTION STATISTICS

(From Westervelt, 1999)

SALMO AREA DEPOSITS

DEPOSIT	PRODUCTION TONNAGE	<u>%Zinc</u>	<u>%Lead</u>	<u>%Cd</u>	<u>opt Silver</u>
Duncan (reserves)	8,165,000	2.90	2.70		
HB	7,283,000	4.45	0.93	0.013	0.120
Jersey	6,256,000	7.19	1.85	0.030	0.096
Reeves MacDonald'	7,254,000	3.50	1.39	0.020	0.238

METALINE AREA DEPOSITS

DEPOSIT	PRODUCTION TONNAGE TO 1956	<u>%Zinc</u>	<u>%Lead</u>	<u>%Cd</u>	opt Silver
Pend D'Oreille** Grandview Metaline Monarch-	5, 451,000 2,348,000 431,500	2.58 2.96 4.28	1.33 1.37 1.20	0.002 0.003 0.0005	0.047 0.032 0.022
Kicking Horse	744,000	8.85	5.63		

*The Reeves MacDonald mining cut off was 3% Zn but with "adequate grade control procedures, the central core areas of the deposits could have been selectively mined at significantly higher grades" (G. Klein, pers. communication, 1996 quoted in Westervelt, 1998)

**Total production at the Pend d'Oreille Mine from 1935 to the mine closure in 1977 was 14,000,000 tons averaging 3.0% Zn and 1.3% Pb (Westervelt, 1999).

3.2 PROPERTY MINERALIZATION

3.2.1 GENERAL DESCRIPTION

The following information is compiled from a number of sources listed in the bibliography, various mine plans, and personal observations of the author.

The main mineralisation of interest on the Remac property occurs in a series of carbonate-hosted base metal deposits and prospects (Zones 'A' to 'Z' on Figures 5 & 6) exposed over a distance of some four kilometres referred to in this report as the Reeves-Redbird corridor (Figure 5 & Plate 2). The former Reeves-MacDonald Mine processed ore from several of these zones between 1949 and 1975. In total 5.8 million tonnes of sulphide ore grading 3.50% Zn and 1.39% Pb was mined from the Reeves Mine (Zone R), the Annex Mine (Zones E & F), Zone K and some small ore blocks between Zones K and R (Figure 6). Other nearby base metal zones were tested by surface and underground exploration at various times since the 1920's (See section 1.5).

Most significant mineralisation on the property is hosted by dolomitized limestone of the Reeves Member of the Lower Cambrian Laib Formation (Figure 4). The base metal zones take the form of elongate lozenges typically 100-200m long, 5-25m wide and, where documented in the Reeves Mine (Zones R to K), over 1000m down plunge (before faulting). Historical mining records from the Reeves Mine report extraordinary continuity of size and grade over these dimensions (G. Klein, pers. communication, 2000). In total there are four, and possibly five known zones of mineralization, typically striking east to ENE, dipping 50-60°S and plunging 45-60°W. These four zones are the Reeves, Annex, Annex W/est and Redbird. Zone A at the west end of the corridor may or may not represent a new zone. Each of these zones are marked by typical and distinct metal ratios (Table 3; G. Klein, pers. communication, 2000). These four zones have been offset by a number of east-dipping normal faults, that repeat them several times to produce the series of distinct zinc deposits and prospects labelled Zones 'A' to 'H' on Figure 6.

TABLE 3: AVERAGE HISTORICAL IN-PLACE GRADES OF REMAC SULPHIDE ZONES

(From Westervelt (1999); modified from Price (1987) and Jennings (1991))

	<u>Reeves</u>	<u>Annex</u>	<u>Annex West</u>
Zn	4.5-6.2%	8.0-12.9%	3.5-5.0%
Pb	1.6%	1.0-4.3%	3.5-5.0%
Cd	0.02%	0.09%	0.02%
Ag	0.3-0.5 opt	2.5-3.6 opt	1.0 opt
Zn/Pb	3.3	3.9	1.0

Primary sulphide mineralization at the Reeves-MacDonald Mine consists of laminations and lenses of massive and disseminated pyrite, honey-coloured sphalerite, galena and trace chalcopyrite. The sulphide bodies are structurally conformable and stratabound, often contain a high grade central core, and typically feather out along strike. Extensive 'barren' pyritic zones are not known to occur.

The sulphide bodies are typically contained within dolostone envelopes, some of which extend for considerable distances along strike. The dolostones tend to be finer grained and more massive than nearby limestone. They commonly have a textured or tweedy pattern of irregular fine carbonaceous films thought to be the product of deformation (Fyles and Hewitt, 1959). Similar dolostones are a so known to occur in areas of no known mineralization (G. Klein, pers. communication, 2000).

The upper portions of most of the zinc zones have been oxidized to zinc-rich limonitic gossans or soils. Oxidation is known from underground workings and drillholes to extend to depths ranging from very shallow (Zones Q and R) to some 450m meters below surface (Zone D). The transition from fresh sulphide to totally oxidized material is often abrupt, frequently occurring over only a few meters (e.g.- Zone F (G. Klein, pers. communication, 2000)). Higher grade sections tend to display course blue to grey radiating masses of hemimorphite ($Zn_4Si_2O_7(OH)_2.H_2O$) that are commonly several millimeters in diameter (e.g.-Zone B, Trench B-2000-01). Less common is dolostone mineralization which is visually innocuous but can attain very high grades derived from hemimorphite probably occurring in a finely disseminated form (e.g.-Zone C, Trench C-2000-02). There are also rare solution collapse breccias as described in section 5.3 (Zone B, Trench B-2000-05).

3.2.2 BASE METAL ZONES

Descriptions of the zones of mineralization in the Reeves-Redbird corridor that were worked on during the 2000 field program are found in section 5.0. The following are descriptions of some of the other major zones of mineralization not investigated during the 2000 field program.

REEVES ZONE (ZONE R)

The Reeves Zone (Zone R) was the main historical zinc+lead orebody on the Remac property. Between 1949-71 the Reeves MacDonald Mine processed 5,817,828 tonnes of sulphide ore at a recovered grade of 3.50% Zn, 0.99% Pb and 3.41 g/t Ag (MinFile, 2001), most of which came from the Reeves Zone (Zone R). The orebody had the form of an "attenuated syncline" with limbs

striking eastward and dipping 50°-60° to the south and axis plunging 215°Az at 55° (Fyles and Hewitt, 1959). The trough section of the Reeves orebody was about 100m long and up to 25m wide. Dimensions and grades (Table 3) were extraordinarily continuous and consistent from surface to its final down plunge depth of about 800m where it was offset by a fault (Figure 6).

ANNEX MINE (ZONES E & F)

The Annex Mine is located on the west side of the Pend D'Oreille River (Level 1750 Adit on Plate 2). It provided most of the production ore to the Reeves MacDonald mill during 1970-75 utilizing a bridge across the Pend d'Oreille River. Production from the Annex Mine totalled 763,314 tonnes of sulphide ore at a recovered grade of 5.59% Zn, 0.93% Pb and 44.61 g/t Ag, most of which came from Zones E and F (MinFile, 2001). Mined dimensions of the Zone F sulphide orebody were about 180m long, 6m wide and about 180m down plunge (Source Annex mine plans and sections). The sulphide-oxide boundary in Zone F was located and plotted during these operations (G. Klein, pers. communication, 2000).

ZONE K

Zone K is interpreted to be a fault offset portion of the Reeves Zone. Product on from Zone K is included in the Annex Mine production statistics. At the closure of the mine in 1975 reported sulphide reserves in Zone K above the 240 level were 443,000 tons grading 5.35% Zn and 2.45% Pb (Westervelt, 1999). Zone K continues further down plunge for a distance of at least 150m (Figure 6).

4.0 PROCEDURES AND QUALITY CONTROL

4.1 SAMPLING METHODS

Trench channel samples were all personally collected by the author. Trench exposures were all first cleaned with a pick, shovel and wisk broom prior to sampling. Channel cuts were taken with a standard geologic rock pick or, in harder material, a hand chisel. Channels were cut to about a 1.5x1.5cm groove resulting in a 2kg to 6kg sample depending on the length sampled. Every 20th sample was retaken as a field duplicate. These duplicate channels were typically cut parallel to and about 10cm from the original sample.

Reverse circulation drill samples of cuttings were collected under the direct supervision of the author and/or Mr. Gerald Klein, P. Eng., Qualified Persons in the meaning of National Instrument 43-101. All drilling was done with a certre return hammer to minimize cross sample contamination. Samples were typically

collected at 3+1/3 ft intervals down the hole except through overburden where longer intervals were often run. When drilling dry the samples from the drill return cyclone were collected in a clean plastic five gallon pail marked with inches up the side to record the volume of each sample run. Samples were then logged by the Qualified Person on site. Each collected sample was put through a Jones SP-1 type splitter and a 50% split carried out several times as necessary to produce a 2kg to 6 kg sample split. Split samples from mineralized intervals and adjacent sections were securely closed, packed and shipped to the laboratory under supervision of a Qualified Person. Other samples were stored. Every 20th split sample was collected in duplicate and sent to the laboratory as well. The splitter and sample pails were all well cleaned prior to processing the next sample. The remaining material from all samples was bagged, labeled and stored in the Salmo warehouse for future metallurgical work or reference use.

When drilling wet (lower portions of holes R-2000-07A and -10), large (24"x36") semi-permeable DryRite sample bags were employed. For each sample run a large DryRite bag was opened and securely clamped into a tall plastic laundry hamper with partially open sides to allow water drainage. The hamper and bag were placed under the return cyclone of the drill. At the end of each run, the sample was logged by the Qualified Person on site and the bagged sample closed and left to dry in open air. When dry the sample volume was measured and the sample processed as above for dry samples.

4.2 ASSAY AND ANALYTICAL METHODS

All geochemical samples were sent to the Cominco Exploration Research Laboratory in Vancouver. All reported zinc values were assayed by classical wet chemical assay with an atomic absorption finish or by titration assay for values over about 9.5% Zn. Most analyses for Pb and Ag were done by aqua regia acid digestion with an atomic absorption finish. A selection of higher grade samples were assayed for Pb and Ag by classical wet chemical assay with an atomic absorption finish.

4.3 QUALITY CONTROL

A program of quality control check assays for the Remac project was established that included collection of 5% blind field duplicate samples, inclusion of blind zinc standards (15 in total) with sample submissions and pulp check assays.

Results from field trench and drill duplicate samples are noted in Appendix 2 and calculated precisions summarized in Table 4. Duplicate sample precision statistics were calculated by the method of Thompson and Howarth (1978).

	Table 4: Summary	/ of Duplicate Sa	mple Precision	Statistics (Pc)	
ELEMENT	Shipments 1 & 2ShipmentTrench SamplesDrill S(6 duplicates)(38 duplicates)		mples	TOTAL ALL SAMPLES (44 duplicates)	
	Statistical Pc	Statistical Pc	Average Pc	Statistical Pc	Average Pc
Zinc	<20%?	<30%	10%	<25%	9%
Lead	<40%?	<40%	13%	<30%	13%
Silver	<25%?	<40%	9%	<35%	10%

Duplicate pulps of every 20th Remac sample were routinely sent to ALS Chemex Laboratories in North Vancouver for confirmation assays which returned satisfactory results (Appendix 3). Results from the zinc oxide standard sample submissions were also satisfactory.

5.0 2000 FIELD PROGRAM RESULTS AND INTERPRETATION

5.1 INTRODUCTION

The objectives of the 2000 field program were as follows.

- 1. To demonstrate the exploration "model" portraying large coherent elongated lozenges of zinc mineralization repeated in a predictable manner by a series of normal faults (Figure 6).
- 2. To test the widths and grades of five selected zones of zinc ox de mineralization.
- 3. To demonstrate structural continuity of at least one zinc oxide zone (Zone F) with underlying known zinc sulphide mineralization.
- 4. To obtain suitable samples for metallurgical testing.

The five zones selected for the 2000 field program were Zones B, C, F, G and H (Figure 6). All five zones were tested by reverse circulation drilling and, in addition, Zones B and C were tested by trenching. Some initial exploratory trenching was also carried out on Zone A. Results of the program are tabulated in Table 5 and in more detail in Appendix 2. These data are illustrated on Plate 1 and on Figures 7, 8, 9 & 10, and described below.

The 2000 trenching program was carried out with a Caterpillar E120B excavator and a Caterpillar D4H bulldozer, both contracted from Custom Dozing of Salmo, BC. The reverse circulation drilling was done by a compact Maxidrill reverse circulation (RC) drill on tracks contracted from Midnight Sun Drilling of Whitehorse, Yukon.

5.2 ZONE A

Zone A, a historically known zone of mineralization (Emendorf, 1927), was tested with two trenches (Figure 7, trenches A-2000-01, -02). This work was performed to provide an initial database on this poorly known zone of zinc oxide mineralization.

TRENCHING

Trench A-2000-01 was a 7.6m long road cut excavation of the old Tunnel No. 4 adit portal and adjacent bedrock. It exposed a narrow bifurcating zone of limonite mineralization in dolostone that returned 5.36% Zn / 1.6mTW (estimated true width). This was the zone the adit was driven on. The Tunnel No. 4 adit is 7m long and trends along the strike of the mineralization at 254/60E. A channel sample taken at the face of the adit returned 6.42% Zn / 1.3mTW (sample 182756).

TABLE 5:2000 REMAC TRENCHING AND DRILLING PROGRAMHIGHLIGHTED ASSAY / ANALYTICAL RESULTS

DRILL HOLE	FROM	TO	SAMPLE	ESTIMATED	ESTIMATED	AVERA	AGE GR	ADES
OR TRENCH	(meters)	(meters)	LENGTH	TRUE WIDTH	TRUE WIDTH	Zn	Pb	Ag
NUMBER			(meters)	(meters)	(feet)	%	%	g/t

TRENCH RESULTS								
Trench A-2000-01	Adit Section		2.1	1.6	5.3	5.36	0.11	2.
Trench A-2000-02			1.6	1.5	5.1	16.11	4.02	20.
		Av	erage of 6 ve	ertical samples	over expos	ed strike	length o	of 10i
ZONE B								
TRENCH RESULTS	5							
Trench B-2000-01			19.8	12.8	41.8	15.00	1.74	14
	Including:							
	Footwall section		9.9	6.3	20.6	22.16	2.20	23
	Hangingwall section	าก	9.9	6.5	21.3	8.08	1.30	5
	li langingwan secto	211	<u> </u>	0.0	21.5	0,00	1.00	
Trench B-2000-05					ł_			
Trench B-2000-05			1.7	1.7 rtical samples o	5.4	11.65	1.61	20
			1.7 erage of 5 ve	1.7 rtical samples o	5.4 over expose	11.65 d strike l	1.61 length o	20 f 16r
Trench B-2000-05 DRILL RESULTS			1.7 erage of 5 ve	1.7	5.4 over expose	11.65 d strike l	1.61 length o	20 f 16r
			1.7 erage of 5 ve	1.7 rtical samples o	5.4 over expose	11.65 d strike l	1.61 length o	20 f 16r
DRILL RESULTS	14.7	Ave	1.7 erage of 5 ve Drill hole	1.7 ertical samples o s listed from eas	5.4 over expose st to west ov	11.65 d strike l ver 145m	1.61 length o n strike l	20 f 16r engt
DRILL RESULTS R-2000-03	14.7	Ave 20.8	1.7 erage of 5 ve Drill hole: 6.1	1.7 rtical samples o s listed from eas 5.3	5.4 over expose st to west ov 17.5	11.65 d strike ver 145m 9.38	1.61 length o n strike I 1.64	20 f 16 engt

2000 REMAC ZINC PROJECT REPORT

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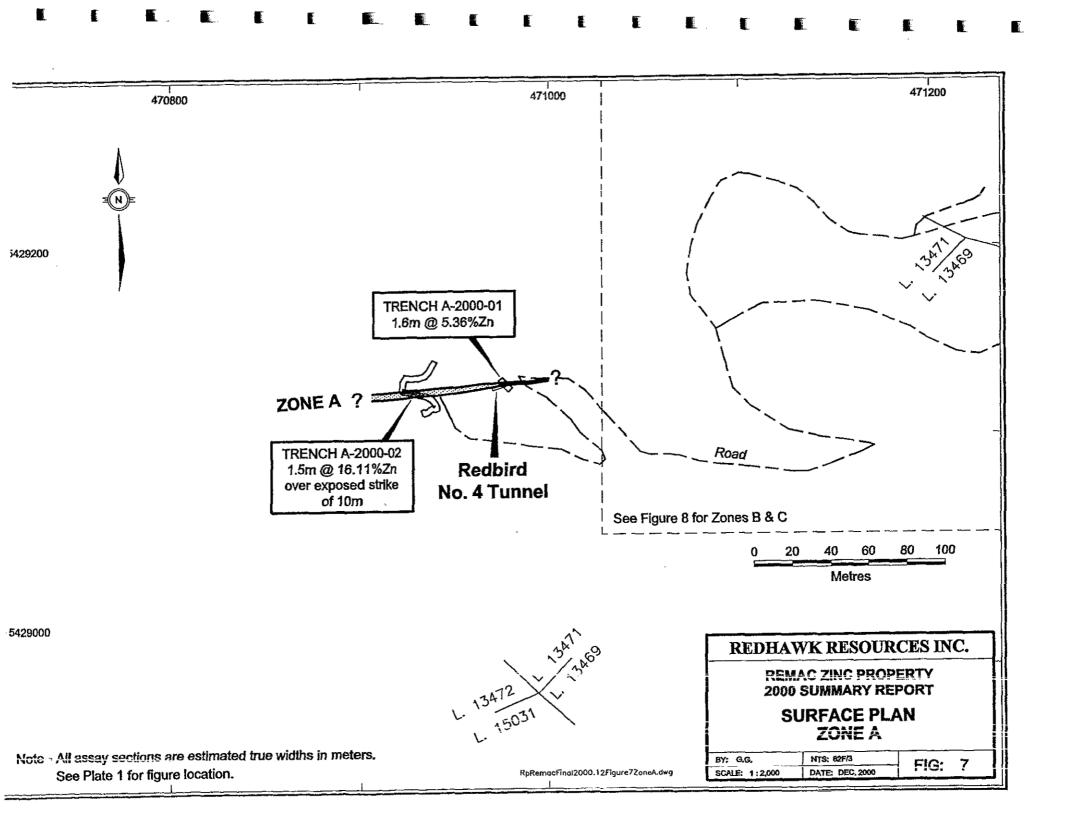
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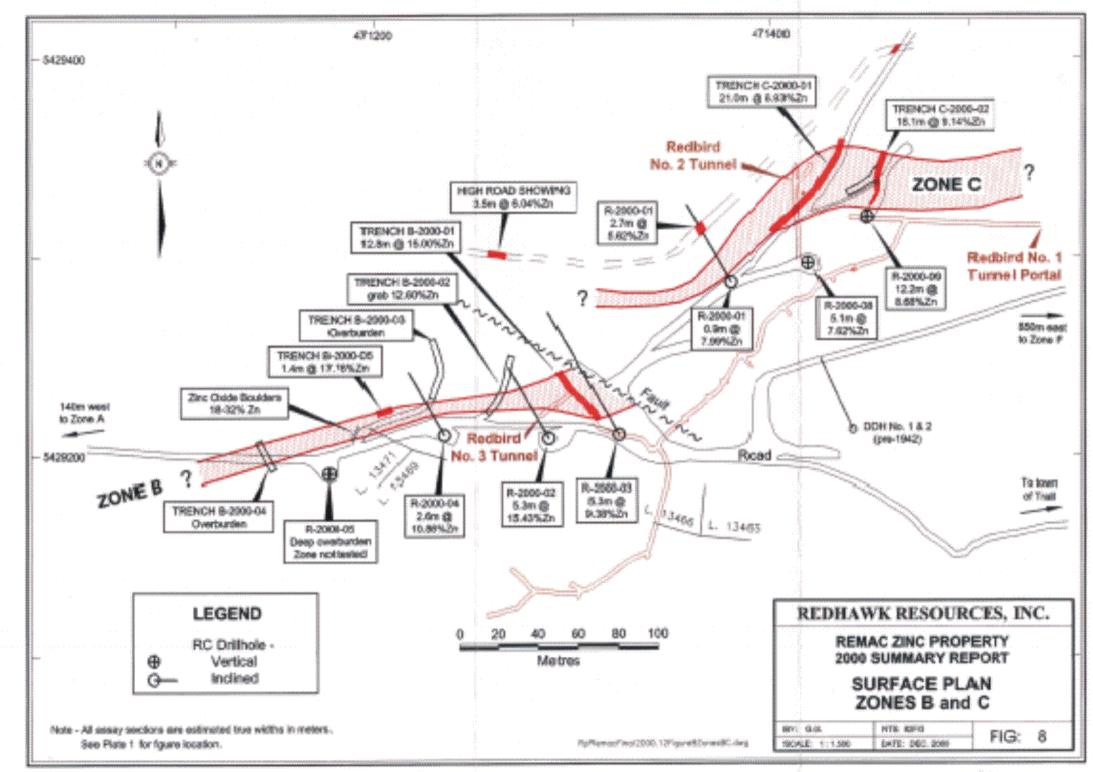
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RENCH RESULT	<u>S</u>							
rench C-2000-01			65.3	21.0	69.0	6.93	1.59	<u> 10.</u>
	Including:	·····				<u> </u>		= == p too
	Footwall section		7.9	4.4	14.5	12.30	1.28	16.
	Centre section		24.7	11.0	36.0	3.32	1.15	3.0
	Hangingwall s	ection	32.7	5.6	18.5	9.75	2.66	19.
rench C-2000-02	1		31.1	17.5	57.4	10.71	1.88	10.4
	Including:							
	Footwall section		12.2	7.5	24.6	12.33	1,84	16.
	Centre sectior		14.7	7.5	24.7	6,99	2.24	7
	Hangingwall s		4.2	2.5	8.2	17.08	0,95	3.
IR-2000-02 IIGH ROAD SHO West of and in foo		>	6.7	3.5	11.4	6.04	0.04	
IGH ROAD SHO		>		3.5 es listed from e				
HGH ROAD SHON West of and in foo		7.6	Drill hole		ast to west o	over 75m	n strike I	ength
HGH ROAD SHOW West of and in foo DRILL RESULTS	twall of Zone C			es listed from e				ength
HGH ROAD SHOW West of and in foo DRILL RESULTS	twall of Zone C		Drill hole	es listed from e	ast to west o	over 75m	n strike I	4.1 ength 4.1
HGH ROAD SHOW West of and in foo DRILL RESULTS	twall of Zone C 6.6 And:	7.6	Drill hole	es listed from e 0.5	ast to west o	over 75m 9.80	n strike I 0.41	ength 4.1
HGH ROAD SHOW West of and in foo DRILL RESULTS	6.6 6.6 And: 18.8	7.6	Drill hole	es listed from e 0.5	ast to west o	over 75m 9.80	n strike I 0.41	ength 4.1
HGH ROAD SHOW West of and in foo DRILL RESULTS	6.6 And: 18.8 Including:	7.6	Drill hole 1.0 24.4	es listed from e 0.5 12.2	ast to west o 1.7 40.0	over 75m 9.80 8.75	0.41 4.27	ength 4.1 10.2
HGH ROAD SHOW West of and in foo DRILL RESULTS R-2000-09	twall of Zone C 6.6 And: 18.8 Including: 18.8 30.0	7.6 43.2 30.0 43.2	Drill hole 1.0 24.4 11.2 13.2	es listed from e 0.5 12.2 5.6 6.6	ast to west o 1.7 40.0 18.3 21.7	9.80 9.80 8.75 5.68 11.36	0.41 0.41 4.27 5.53 3.21	engtr 4, 10, 8, 13,
HGH ROAD SHOW West of and in foo DRILL RESULTS	6.6 And: 18.8 Including: 18.8	7.6 43.2 30.0	Drill hole 1.0 24.4 11.2	es listed from e 0.5 12.2 5.6	ast to west o 1.7 40.0 18.3	9.80 8.75 5.68	0.41 4.27 5.53	engtr 4. 10. 8. 13.
HGH ROAD SHOW West of and in foo DRILL RESULTS R-2000-09	twall of Zone C 6.6 And: 18.8 Including: 18.8 30.0	7.6 43.2 30.0 43.2	Drill hole 1.0 24.4 11.2 13.2	es listed from e 0.5 12.2 5.6 6.6	ast to west o 1.7 40.0 18.3 21.7	9.80 9.80 8.75 5.68 11.36	0.41 0.41 4.27 5.53 3.21	ength 4.
HIGH ROAD SHOW West of and in foo DRILL RESULTS R-2000-09 R-2000-08	6.6 And: 18.8 Including: 18.8 30.0	7.6 43.2 30.0 43.2 18.5	Drill hole 1.0 24.4 11.2 13.2 10.2	es listed from e 0.5 12.2 5.6 6.6 5.1	ast to west o 1.7 40.0 18.3 21.7 16.7	9.80 9.80 8.75 5.68 11.36 7.62	0.41 0.41 4.27 5.53 3.21 0.85	engtr 4. 10. 8. 13. 27.

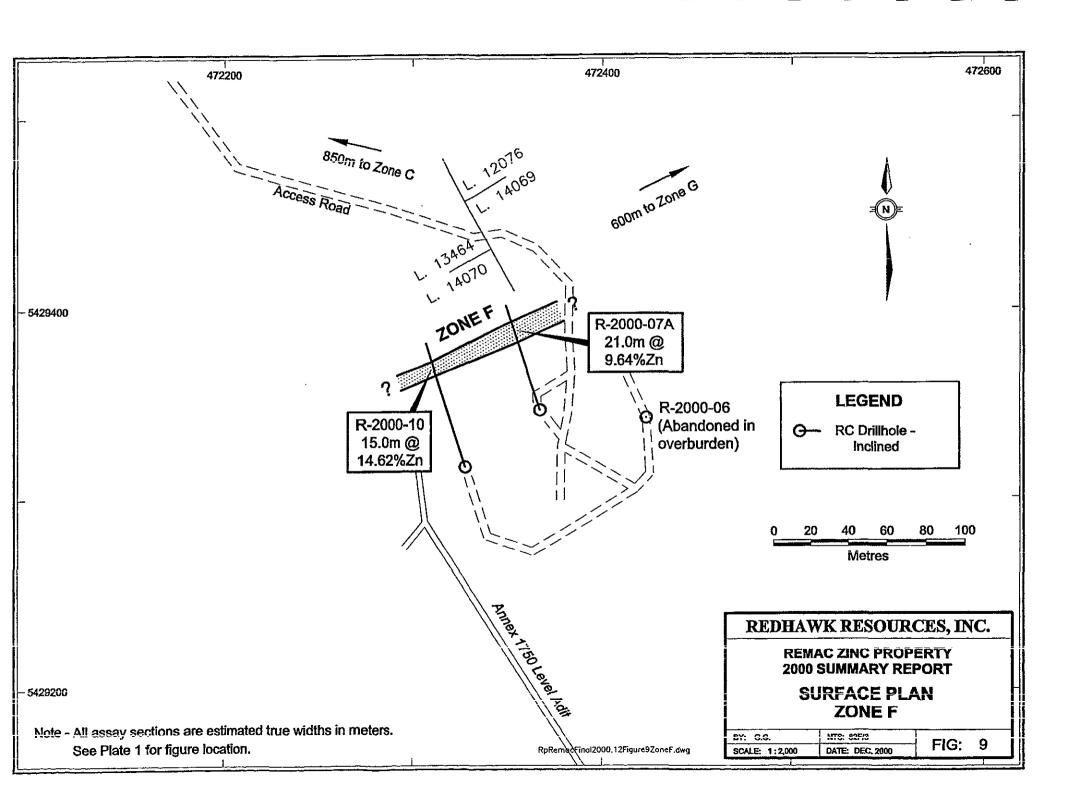
2000 REMAC ZINC PROJECT REPORT

RILL RESULTS	<u>`</u>		Diarioico	listed from eas			ity sept	
R-2000-10	119.9	138.2	18.3	15.0	49.1	14.62	3.22	5
	Including:		· · · · · · · · · · · · · · · · · · ·					
	119.9	133.1	13.2	10.8	35.5	18.24	4.39	6
	133.1	138.2	5.1	4.2	13.7	5.20	0.18	
R-2000-7A	89.4	116.8	27.4	21.0	68.9	9.64	0.51	3
	Including:				ł			
	89.4	92.5	3.0	2.3	7.7	23.75	0.08	17
	92.5	98.6	6.1	4.7	15.3	1.91	0.04	
	98.6	104.6	6.1	4.7	15.3	10.53	0.24	2
	104.6	111.8	7.1	5.4	17.9	3.14	0.40	
	111.8	116.8	5.1	3.9	12.8	18.47	1.80	3
ONE G	7							
RILL RESULTS			Drill holes	listed from eas	t to west- 5	0m (160	ft) sepa	arat
R-2000-17	50.5	55.6	5.1	4.0	13.1	5.38	0.13	
R-2000-21	49.0	62.2	13.2	11.6	37.9	8.21	1.08	
R-2000-21		02.2	13.2	11.0	37.9	0.21	1.00	
	Including: 49.0	52.0	3.0	2.7	8.7	18.94	0.27	1
	52.0	62.2	10.2	8.9	29.2	4.99	1.32	
ONE H	- <u>'</u> , -7							
RILL RESULTS			Drill holes	listed from eas	t to west- 8	5m (275	ft) sepa	arat
R-2000-14	19.0	24.1	5.1	4.4	14.4	6.35	0.35	
<u> </u>						40.00		
R-2000-20	43.4	53.5	10.2	8.9	29.2	10.98	1.05	3
	Including:	AE 4		4.0	<u> </u>	0.00	0.07	
	43.4	45.4	2.0	1.8	5.8	8.09	0.07	
	45.4 47.4	47.4 53.5	2.0	1.8	5.8	2.71	0.13	Ę
-	41.4		6.1	5.3	17.5	14.71	1.69	
ONE P	1					<u> </u>		
RILL RESULTS			· · · · · · · · · · · · · · · · · · ·					
R-2000-11	24.4	29.5	5.1	4.4	14.4	6.68	1.67	<u> </u>
102000-11								_
102000-11	And: 36.6	40.6	4.1	3.5	11.5	13.25	().93	

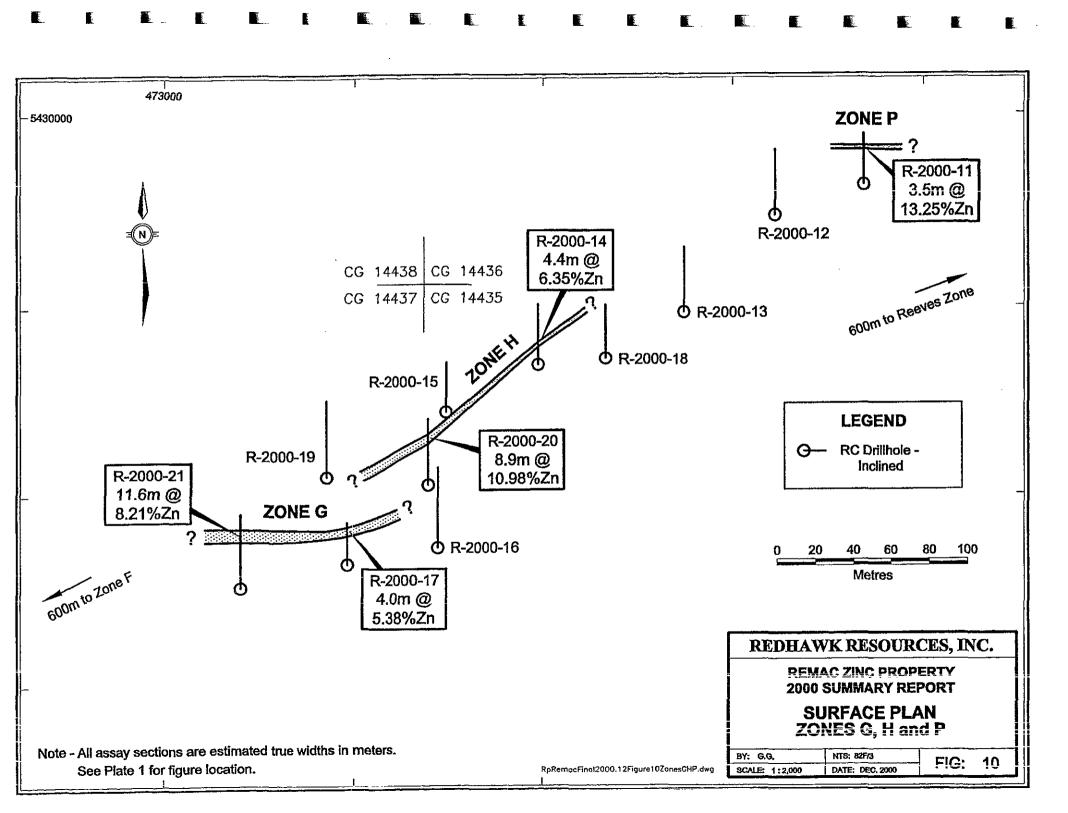




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Trench A-2000-02 is a re-excavation of an old large area of bulldozer trenching about 50m west and steeply uphill of Trench A-2000-01. A winding 57.3m of bedrock exposure was made. The excavation cuts across the dry gully at the top of Redbird Creek where a 7m wide, 4m deep debris channel cut into dolostone bedrock is evident. The structural geology of this excavation is complex undoubtedly due to the proximity (just uphill <20m away) of the major shallowly dipping Argillite Fault which separates the Reeves Formation carbonates and zinc mineralization from the overlying Active Formation shales. Preliminary mapping has begun to show that the various bedrock units in the exposure form a melange of small fault slices in variably dipping panels. The main Zone A zinc oxide mineralization is in one such panel here and it appears to strike about 100°Az and dip shallowly to the south. This panel is exposed over a strike length of 10m and returned an average of 16.11% Zn / 1.5m (vertical) from a series of six vertical channel samples. It remains open below the floor of the excavation and to the south. Other minor zinc oxide veins occur elsewhere in this excavation.

ZONE A SUMMARY

The affinity of Zone A mineralization is uncertain. It may be a fault block of one of the known zones of mineralization (Redbird, Annex West, Annex, Reeves) or it may be a new zone of mineralization.

The Zone A zinc oxide mineralization exposed in trench A-2000-02 is wider and much higher grade than in trench A-2000-01. This would suggest a zone of mineralization opening up to the west perhaps just beyond the edge of the shale cap. It is anticipated that the structural disruption near the Argillite fault will not be a factor except in close proximity to the fault such as trench site A-2000-01. There is no significant disruption at trench A-2000-01 some 30m vertically below.

5.3 ZONE B

Zone B, historically known as the Beer Bottle Zone, was tested with five trenches (B-2000-01 to -05) and four RC drill holes (R-2000-02, 03, 04, 05) in 2000 (Figure 8). The zone trends about 230/45SE and is best exposed in the trench B-2000-01 (Beer Bottle Cut).

TRENCHING

Trench B-2000-01 was a 28.9m long re-excavation of the historic Beer Bottle Cut and it also temporarily re-opened the historic Tunnel No. 3 adit in the face of the cut. This exposure is a wide section of red-brown limonite with locally intercalated dolostones. Channel sampling in 2000 across the base of the exposure returned 15.00% Zn across an estimated true width of 12.8m. This sample consisted of a high grade footwall section (22.16% Zn / 6.3mTW) and a medium grade hangingwall section (8.08% Zn / 6.5mTW). The Tunnel No. 3 adit was entered for a short distance but not sampled due to unstable rock conditions. It is about 20m long, trends at 231°Az and reveals a continuation of the lithologies exposed on the Trench B-2000-01 (Beer Bottle Cut) face.

Four other trenches were attempted west of B-2000-01 with mixed results (Figure 8). Trench B-2000-02 was excavated about 30m to the west. It was excavated in benches through 10m of overburden glacial kame terrace sands and gravels. Footwall and hangingwall dolostones were exposed in the trench separated by some10m of overburden and a small sliver of bedrock limonite in the bottom of the trench on the hangingwall side. An excavator bucket grab sample returned 12.6% Zn (sample 182728).

Trench B-2000-03, a further 30m west, ended entirely in overburden kame terrace sands and silts.

Trench B-2000-05 was a road cut about 35m west of and enroute to Trench B-2000-03. Trench B-2000-05 did not expose the typical limonite mineralization of Zone B but exposed a 10m long section interpreted as a zinc-bearing solution collapse breccia overlying Zone B limonite at depth (evident in drill hole R-2000-04). The west contact of this breccia is beneath glacial till but probably rests on limestones exposed nearby. The east contact of the breccia is on a thin (1m) subvertical spire of sandy dolostone bedrock overlain by a steep unconformable contact to the east with subhorizontally bedded kame terrace sands and silts. Two excavator pits (not sampled) were dug at either end of the exposure and showed the breccia zone to span a distance of at least 8m vertical. Breccia clasts mainly consist of angular dolostone/limestone blocks and massive rounded zinc oxide (mainly hemimorphite) clasts varying in size from pebbles to 1m-diameter boulders. Active Formation shale fragments dominate higher in the exposure. Samples from five of the zinc oxide boulders returned values ranging between 18-32% Zn (samples 182729, 182786, 182787, 182788, 182789) and X-ray diffraction scans identified the zinc oxide species as almost entirely hemimorphite (Appendix 6). Four vertical channel samples over the 10m breccia exposure averaged 17.76% Zn / 1.4m (vertical) (samples from west to east: 182800, 26030, 26031, 182799). Closer examination revealed the breccia matrix and local layered cavity fillings (up to 0.3m diameter) contain abundant brown to rusty zinc oxide (hemimorphite?) sand. Similar zinc-rich solution collapse breccias are known elsewhere in the world at other zinc oxide deposits (K. Stone, pers. communication, 2000) and another probable example occurs at Remac in Trench C-2000-02.

Trench B-2000-04 was excavated about 60m west of trench B-2000-05 and ended in overburden on the high north slope of Redbird Creek.

DRILLING

Zone B was tested with four RC drill holes (Figure 8) described here from east to west. Hole R-2000-03 beneath Trench B-2000-01 intersected Zone B limonites and returned 9.38% Zn / 5.3mTW. It is uncertain whether this smaller section in the drillhole is due to structural complications associated with the nearby Beer Bottle Creek Fault (see Section 2.2) or it represents a real pinching of the surface mineralization.

Holes R-2000-02 and -04 drilled further west (Figure 8). Both had good intersections of Zone B limonitic zinc oxides. Hole R-2000-02 intersected 15.43% Zn / 5.4mTW and hole R-2000-04 intersected 10.86% Zn / 2.6mTW. Hole R-2000-05 passed through overburden on the projection of Zone B mineralization and intersected bedrock in footwall dolostone. The first dolostone interval encountered was moderately mineralized and returned 4.9% Zn / 1.0m.

ZONE B SUMMARY

Zone B hosts zinc oxide mineralization of Redbird Zone affinity (Figure 6). It has been traced in trenches and drillholes over a strike length of 110m. It is truncated to the east by the Beer Bottle Creek Fault and remains open to the west through overburden-covered terrain. An steep east-west fault is thought to occur nearby in Redbird Creek gully and it may or may not interrupt Zone B to the west and/or at depth (Klein, 1999a). The geometry and offset on this fault are not well understood at this time.

5.4 ZONE C

Zone C has historically been known as the main zone of mineralization on the Redbird property. Historic Tunnel No. 1 workings total about 470m of underground development including a zinc oxide section about 140m long with a high grade core about 75m long and 6.1m or more wide (Sorensen, 1942; Emendorf, 1927). Based on assays from 18 samples the average grade is reported as 18.55% Zn, 5.97% Pb and 1.18 opt Ag (Emendorf, 1927). On average the zone trends about 230/60SE (Sorensen, 1942).

TRENCHING

Trench C-2000-01 was a 60.6m long re-excavated road cut some 85m in elevation above Tunnel No. 1. This exposure is typical of zinc oxide zones at Remac. It is a massive limonite section with internal low grade dolostone lenses. It displays a high grade footwall (12.30% Zn / 4.4mTW) and a high grade hangingwall (9.75% Zn / 5.6mTW). Internally it is host to two lenses of low grade dolostone and a lower grade central limonite section thought to derived from an oxidized pyritic core (3.32% Zn / 11.0mTW). Overall the trench returned 6.93% Zn / 21.0mTW).

Trench C-2000-02 was a 31.1m long side hill cut. It averaged 10.71% Zn / 17.5mTW. As is typical it displayed higher grade footwall (12.33% Zn / 7.5mTW) and hangingwall (17.08% Zn / 2.5mTW) sections with a lower grade core (6.99% Zn / 7.5mTW) but no significant internal dolostone waste. It is thought that the eastern (footwall) portion of this trench was the original Redbird showing (Emendorf, 1927) which lead to the driving of Tunnel No. 1 some 65m in elevation below.

This trench C-2000-02 exposure displays limonitic zinc oxides typical of the Remac property but it also displays other types of mineralization. The eastern (footwall) 3.6mTW section of this trench is mineralized dolostone that returned varying grades of 5.36-21.72% Zn in individual 0.9mTW channel samples (Table 4).

Near the western end of trench C-2000-02 (samples 182717 to 182720 - Appendix 2) a 6.0m section of angular massive limestone blocks occur in a high grade limonitic matrix. This section may be a solution collapse breccia similar to that in trench B-2000-05 (section 5.3) or it may be colluvium.

DRILLING

Zone C was tested with three RC drill holes (Figure 8). Steep terrain precluded drilling of a fourth hole further east.

Hole R-2000-09 was a vertical hole drilled at the west end of Trench C-2000-02. It intersected 8.75% Zn / 12.2mTW including a footwall section averaging 11.36% Zn / 6.6mTW. Hole R-2000-08 drilled 38m to the southwest intersected a smaller section averaging 7.62% Zn / 5.1mTW and hole R-2000-01 on the feathering western edge of Zone C had a narrow intersection.

ZONE C SUMMARY

Zone C hosts zinc oxide mineralization of Redbird Zone affinity and is a downfaulted portion of Zone B offset by the Beer Bottle Creek Fault to the west (Figure 6). It has been traced in trenches and drillholes over a strike length of 70m (hole R-2000-08 to the east end of Trench C-2000-02) and it is open to the east where the bulk of the zinc oxide mineralization is projected to occur. This steep terrain to the east can be made accessible for drilling with appropriate preparatory work. To the west the pinching end of the mineralization has been found in hole R-2000-01. At depth Zone C remains strong to at least 85m below the highest trench (C-2000-01) where it was found in Redbird Tunnel No. 1 (see above).

5.5 HIGH ROAD ZONE

This is a small historic zinc oxide zone located some 25m into the structural footwall of Zone C. It has been tested in three places. The High Road Zone was first recognized in an old trench that was re-excavated by hand some 150m west of Trench C-2000-01 (Figure 8). This sampling returned 6.04% Zn / 3.5mTW. The zone was also intersected in hole R-2000-01 where it returned 5.62% Zn / 2.7m and in a road cut 50m northeast of Trench C-2000-01 where it returned 2.49% Zn across 1.9m. This is not a high priority target but it is an adjunct to Zone C exploration.

5.6 ZONE F

Zone F is the Annex Mine zone which was mined between 1970-75. It was the highest grade of the Reeves MacDonald operations. It lies in an area of deep overburden on the lower slopes of Redbird hill (Figure 9).

DRILLING

Two holes were drilled on the upper bedrock projection of the Zone F (Annex Mine) mineralization where zinc oxides were encountered. Both holes returned very good intersections. Hole R-2000-07A averaged 9.64% Zn / 21.0mTW with typical high grade footwall (18.47% Zn / 3.9mTW) and hangingwall (23.75% Zn / 2.3mTW) sections, and lower grade internal sections including dolostone. Hole R-2000-10 averaged 14.62% Zn / 15.0mTW in one relatively continuously mineralized section without internal dolostone sections.

ZONE F SUMMARY

Zone F hosts zinc oxide mineralization projected up dip from the high grade Annex Zone (Figure 6). The two drill intersections outline an initial strike length of 50m open to east and west. At depth the oxide-sulphide interface is known to be 100-150m in elevation below these drill intersections. These intersections confirmed the wide high grade nature of the Annex Zone mineralization projected into the zone of oxidation.

5.7 ZONE G

Zone G is a poorly understood faulted near-surface segment of the Annex West Zone. Prior to this drill program its location was only vaguely known.

DRILLING

Two drill holes were successful in locating this Zone G zinc oxide mineralization (Figure 10). Both holes returned good intersections. Hole R-2000-21 returned

8.21% Zn / 11.6mTW including 18.94% Zn / 2.7mTW and hole R-2000-17 returned 5.38% Zn / 4.0mTW. The zone remains open to the west of hole R-2000-21 under the Pend d'Oreille River and at depth.

ZONE G SUMMARY

Zone G hosts zinc oxide mineralization of Annex West Zone affinity (Figure 6). Annex West has historically been a lower grade but mineable zone and the results of these drillholes in the oxidized horizon are consistent with that history. The two drill intersections outline an initial strike length of 60m and the zone remains open to the west.

5.8 ZONE H

Zone H is another poorly understood mineralized section and prior to this drill program its location was only vaguely known.

DRILLING

One and perhaps two drill holes were successful in locating this Zone H zinc oxide mineralization (Figure 10). Hole R-2000-20 returned 10.98% Zn / 8.9mTW including 14.71% Zn / 5.3mTW. Hole R-2000-14, 55m to the east, returned 6.35% Zn / 4.4mTW but the intersection was high in the hole and it is not clear if this is the same zone intersected in hole R-2000-20.

ZONE H SUMMARY

Zone H hosts zinc oxide mineralization thought to be of Annex Zone affinity (Figure 6). The zone is somewhat constrained along strike but probably continues at depth where grab samples of zinc oxides grading 20-25% Zn were collected from underground workings in the early 1970's (G. Klein, pers. communication, 2000). Further work is required to better define this zone.

5.9 ZONE P

Zone P is a new zinc oxide discovery between Zone H and the historic Reeves (Zone R). It was in found drillhole R-2000-11 and returned two intersections, one near surface of 6.68% Zn / 4.4mTW and another at depth of 13.25% Zn / 3.5mTW (see Appendix 2). The mineralization is open to the east and at depth. Its place in the "model" (Figure 6) is uncertain and will require further work.

5.10 OTHER RESULTS

Six other exploratory holes (R-2000-12, 13, 15, 16, 18, 19) were drilled in the course of locating Zones G and H (Location Figure 10 and Plate 1; drill logs in Appendix 1; full results in Appendix 2). The best results from these holes were 7.30% Zn / 0.9mTW (hole R-2000-19) and 2.65% Zn / 2.6mTW (hole R-2000-16).

6.0 CONCLUSIONS

- 1. The Remac property is in the heart of a prolific old mining district with a long history of base metal sulphide production. Associated zinc oxide zones have also long been known on the property but the technology to profitably treat them is a recent development. Joint venture partner ZincOx Resources is a world leader in the beneficiation of such zinc oxide ores.
- 2. The main objective of the 2000 field program was to demonstrate the exploration "model" portraying large coherent elongated lozenges of zinc mineralization repeated in a predictable manner by a series of normal faults. Results from the program have confirmed the "model" in broad terms. Local details will need further work to improve parts of the "model" longitudinal section (Figure 6).
- 3. The 2000 program of trenching and drilling confirmed the potential for large zones of zinc oxide mineralization on the property. Results showed very good zinc grades over significant widths in the five zones tested and demonstrated structural continuity of Zone F zinc oxides with known underlying sulphide mineralization.
- 4. Additional potential for zinc oxide mineralization has been indicated with the re-exposed historical Zone A and the discovery of Zone P.

Exploratory trenching of the historic Zone A mineralization displayed a trend of increasing size and grade of zinc mineralization to the west as it nears the Active Formation shale cap. This trend indicates the potential for another significant zone of zinc oxide mineralization just beneath the shale cap. It also suggests the potential for further zinc oxide zones elsewhere beneath the Active Formation shale cap.

Exploratory drilling between Zone H and the Reeves (Zone R) discovered high grade zinc oxides in a single hole (Zone P) (13.25% Zn / 3.5m). The structural geology of this area is not well understood and Zone P may represent another fault repetition of one of the other known zinc oxide zones. Zone P remains open to the east and at depth.

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- 5. Many other known zones of zinc oxide mineralization remain to be tested on the property.
- 6. Sulphide reserves of 443,000 tons grading 5.35% Zn and 2.45% Pb remain in place in Zone K. Other zinc sulphide zones are known to exist on the property at depth.

7.0 COST STATEMENT

Costs submitted for assessment credits from the 2000 work program on the Remac property are as follows. This work was performed on crown grant lot numbers 13465, 13466, 13469, 13471, 14035, 14036, 14037, 14038, 14069 and 14070.

Labour and sale	aries			\$	\$				
	(George Gorzynski -	101 days @ \$	300 /day)	¥ 30,260.00	Ŷ				
,	(Gerald Klein -	93.3 days @ \$	350 /day)						
Support	(V. Guinet	79.3 days @ \$	250 /day)						
	D. Murray	53.5 days @ \$	220 /day)						
	(B. Gerard	8.0 days @ \$							
	•			_	95,374.80				
Surveying	(BC land surveyor - s	ocations)	4,300.55						
Trenching	Contract excavator/b	16,400.26							
	(9 trench	ies - 300.6m total ler	ngths						
	+ 21 drill sites and access roads + reclamation)								
RC Drilling	(Contract meterage of	costs (21 holes / 1,49	98.2m)		119,477.48				
	plus downtime charg	es plus lost downhol	e equipment)					
Assays and ana	alyses Cominco	Exploration Labora	tory		16,711.02				
	173 tren	ch channel rock sam	ples						
1	+ 709 F	RC drill chip rock san	nples						
		rep @ \$4.50, AA Zn/		\$6.25					
		wet chemical assays							
	Ag wet chemical assays @ \$5								
		cans @ \$50)							
		nple shipping costs &	•						
		check assays at Che							
	•	chemical assays @\$	6.75						
		on assays @\$30 analyses @ \$7.70)							
Logistics		analyses (2 \$1.10)							
	lation and meals	(273.4 mdays@\$	46.29 /dav)	12,657.07					
Communic			10.20 / 443)	391.83					
	nd equipment			9,161.10					
Transporta				941.63					
	ital (@\$51.12 / day) p	lus fuel		14,863.81					
Report con	Report compilation/drafting/copies 6,436.87								
					<u>44,452,31</u>				
			ΤΟΤΑΙ	LCOSTS \$	296,716.42				

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AUTHOR'S CERTIFICATE

I, GEORGE GORZYNSKI, of 2483 Belloc Street, North Vancouver, British Columbia, Canada, do hereby certify:

(1) I am a Consulting Geological Engineer registered since 1987 with the Association of Professional Engineers and Geoscientists of the Province of British Columbia, Canada, with Registration No. 15783, and I am a Qualified Person in the meaning of draft National Instrument 43-101 as applicable to a report of this nature.

(2) I am a graduate of the University of Toronto with a B.A.Sc. (Honours) in Geological Engineering - Mineral Exploration (1978) and with a M.A.Sc. from the University of British Columbia in Economic Geology (1986).

(3) I have practiced my profession in North America and overseas for 19 years.

(4) This report on the Remac property has been prepared in compliance with the British Columbia Mineral Tenure Act - Part C as applicable to a report of this nature and as those regulations are understood by the author. It is based on reviews of public and private technical reports, other relevant documents, and the author's knowledge and experience in exploring for base metal deposits generally. The author personally carried out the sampling of the trenches described in this report and co-supervised the overall field program.

(5) I have no personal interest, directly or indirectly, in the subject property or in the securities of ZincOx Resources, nor do I expect to receive, directly or indirectly, any interest in such property or securities. As a consultant to Redhawk Resources I hold options for shares of the company and may benefit materially from these holdings in the future.

(6) I give permission to ZincOx Resources and to Redhawk Resources to use this report in support of assessment filings with the appropriate British Columbia gold commissioner's office or for other purposes in accordance with applicable government regulations.

Dated this 18th day of January 2001, in Vancouver, British Columbia, Canada.

A. GORZYNSKI George Gorza VGINEST Reg. Nd. 15788

Association of Professional Engineers and Geoscientists of the Province of British Columbia

